

ASSEMBLY BILL

No. 368

Introduced by Assembly Member Skinner

February 23, 2009

An act to amend Section 6804.1 of the Public Resources Code, relating to state lands.

LEGISLATIVE COUNSEL'S DIGEST

AB 368, as introduced, Skinner. State lands: oil, gas, and mineral leases.

Existing law requires the State Lands Commission to regulate oil, gas, and mineral leases on public lands. Existing law authorizes a lessee to make and file with the commission a quitclaim or relinquishment of all rights under a lease or a portion of a lease comprising a 10-acre parcel or multiple parcels in a compact form, or of a separate or distinct zone or geological horizon or portion underlying a 10-acre parcel or multiple parcels. The quitclaim or relinquishment is effective as of the date of filing and the fulfilling of certain conditions.

This bill would delete provisions referring to zones and geographical horizons of a parcel would instead refer to land. The bill would make the quitclaim or relinquishment effective upon the completion of the abandonment of all facilities and the reclamation of the lease premises as approved by the commission. Commission approval would be required for the lessee to be released from all obligations accruing under the lease with respect to the lands.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6804.1 of the Public Resources Code is
2 amended to read:
3 6804.1. Notwithstanding any ~~provisions~~ *other provision* of this
4 code to the contrary, a lessee may at any time make and file with
5 the commission a written quitclaim or relinquishment of all rights
6 under ~~any a~~ *a* lease or ~~of any a~~ *a* portion thereof comprising a 10-acre
7 ~~parcel or multiple thereof in a compact form, or of any separate~~
8 ~~or distinct zone or geological horizon or portion thereof underlying~~
9 ~~such 10-acre parcel or multiple thereof. Such of a lease of land.~~
10 *The* quitclaim or relinquishment shall be effective ~~as of the date~~
11 ~~of its filing upon the completion of the abandonment of all facilities~~
12 ~~and the reclamation of the lease premises as approved by the~~
13 ~~commission,~~ subject to the continued obligation of the lessee and
14 his *or her* surety to make payment of all rentals and royalties
15 ~~thereof accrued and to place all wells on the lands or in the~~
16 ~~zones or horizons to be quitclaimed or relinquished, in condition~~
17 ~~for suspension or abandonment in accordance with the applicable~~
18 ~~lease terms and regulations; thereupon that have accrued. Upon~~
19 ~~commission approval,~~ the lessee shall be released from all
20 obligations ~~thereafter~~ accruing under ~~said the~~ *the* lease with respect
21 to the lands, ~~zones or horizons~~ quitclaimed or relinquished, but ~~no~~
22 ~~such the~~ *the* quitclaim or relinquishment shall *not* release ~~such the~~
23 lessee or his *or her* surety from ~~any~~ liability for ~~the~~ breach of ~~any~~
24 ~~an~~ obligation of the lease with respect to which ~~such the~~ *the* lessee is
25 in default at the time of the filing of ~~such the~~ *the* quitclaim or
26 relinquishment.

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